

23 July 1963

MEMORANDUM FOR THE RECORD

SUBJECT: DD/R Fiscal Year 1964 Budget

1. This memorandum addresses itself to the recommended reductions in funds and personnel staffing requirements of the DD/R for FY 1964, and to the deleterious effect on the total DD/R program which will probably ensue if the recommendations are approved. The net effect of the proposed reductions would decrease the funds and personnel by [REDACTED] respectively, below the requirements estimated as essential to the DD/R FY 1964 programs of OEA, OEL and ORD.

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2. Whereas all areas of activities within the DD/R are affected, the proposed reductions would, most importantly, impair the effort in support of OXCART, IDEALIST and [REDACTED] in the following manner:

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a. Denied personnel increases preclude the adequate staffing of overseas tanker refueling bases for OXCART.

b. The required additional personnel to support a dual staging capability for IDEALIST are disallowed.

c. Proposed reductions in research funds in both OEL and ORD preclude the undertaking of adequate R&D efforts toward the support of the OXCART program.

d. Reductions in OEL R&D funds limit the extent of the analysis support for ELINT defensive analysis in the IDEALIST and [REDACTED] programs.

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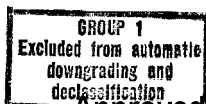
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ORD and are to be recovered as required in the ORD recruitment effort. In our best judgment, the [] position increase in OSA will not permit the additional staffing necessary for an effective operational OXCART program nor will it permit a dual staging capability in the IDEALIST program.

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4. The [] position increase required in OEL, disallowed in its entirety, and the recommended [] million reduction in OEL research funds, in addition to adversely affecting the OXCART, IDEALIST and [] programs, will:

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a. Prevent adequate required research support for current COMINT/ELINT intercept work and completely eliminate advances in SIGINT research relative to advanced electronic developments in signal techniques made by target countries.

b. Prevent required increases in telemetry analysis support placed by OSI.

c. Impair response to increasing demands for timely ELINT guidance and analysis support to Agency, Second Party, and Third Party ELINT collection activities.

5. The recommendation is made to assess OSA with [] as its share of the FY 1964 cost of the 7090 computer. The fact is that the DD/R did not include in its FY 1964 budget nor in the FY 1965 Budget Estimates, any funds for computer operations since it was believed that this would be accommodated in the ADPS budget as are the costs for other automatic data processing equipment. If the costs of the 7090 computer are to be assessed proportionately against the users in FY 1965, the DD/R Budget Estimates must necessarily be adjusted accordingly.

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6. In arriving at the Financial Plan Allowance levels, the point is made that the recommended reductions still provide for an increase over the FY 1963 base. While this statement is correct it must be remembered that, with the formation of the DD/R in FY 1963, only a minimum research effort could be undertaken. A restrictive budget allowance in FY 1964 does not permit a normal expansion requisite in the Agency's research effort. An analysis of the recommended reductions will evidence that [] of the funds requested for new research would be eliminated. An additional [] of funds required for new

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research in ORD has been recommended for deferment. A total of [REDACTED] is recommended for reduction in OEL and ORD research funds which will almost certainly eliminate the means for new and advanced research.

7. It is suggested that it would be proper for General Carter's Research and Development Review Board to consider the Agency's FY 1964 and 1965 R&D budget. This would allow the DDCI to get a bird's eye view of the total Agency research package in proper perspective.

Original signed by
E. B. Giller

EDWARD B. GILLER
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